

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **WEDNESDAY, JULY 1, 2009**, upon the application of **BEUSA ENERGY, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Haynesville Zone, Reservoir A**, in the Canadian Bayou Field, DeSoto Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A.
2. To create a single drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each separate tract sharing in unit production on a surface acreage basis of participation.
4. To designate an operator of, and unit well for, the proposed unit as may be appropriate.
5. To propose that future wells drilled to the Haynesville Zone, Reservoir A, within or outside of the unit proposed herein, be located no closer than 330 feet to any unit boundary and no closer than 660 feet to any well completed in, drilling to, or for which a permit has been granted to drill to the Haynesville Zone, Reservoir A, and to provide that with respect to any horizontal well drilled to the Haynesville Zone within the proposed unit, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, the distance to any unit boundary and offset well will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus of the well in the Haynesville Zone.
6. To expand the provisions of Office of Conservation Order No. 708-1, effective January 9, 2007, authorizing downhole combination of production from the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, with respect to previously created units for such formations which are identical to the unit proposed herein for the Haynesville Zone, Reservoir A, so as to include production from the Haynesville Zone, Reservoir A, in any well in which the interests in the units from which production is to be combined downhole are identical.
7. To define the Haynesville Zone, Reservoir A, as that gas and condensate bearing interval encountered between the depths of 10,248' and 11,867', electric log measurements, in the Bidas Energy, USA, Inc.-DeSoto Oil & Gas Trust 18 No. 1 Well, located in Section 18, Township 12 North, Range 14 West.
8. To consider such other matters as may be pertinent.

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

5/14/09;5/19/09

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.